



DONALD L. WOLFE, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

December 5, 2006

IN REPLY PLEASE

REFER TO FILE: PD-1

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**EXCHANGE OF FEDERAL FUNDS
COUNTY OF LOS ANGELES-STATE OF CALIFORNIA
CONTRIBUTION AUTHORIZATION AGREEMENT
ALL SUPERVISORIAL DISTRICTS
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chairman of the Board to sign the enclosed Agreement between the County of Los Angeles and the State of California, acting by and through its Department of Transportation (Caltrans), providing for Caltrans to exchange various Metropolitan Planning Organizations and Regional Transportation Planning Agencies' Regional Surface Transportation Program funds in the amount of \$500,000 for Fiscal Year 2006-07 and \$1,000,000 per year for Fiscal Years 2007-08 and 2008-09 for an equivalent amount of County Transportation Congestion Relief Funds (Proposition 42) and/or State Highway User Tax (gas tax) funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Under the Federal Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users, Caltrans has been delegated the authority to process National Environmental Policy Act documentation on behalf of the Federal Highway Administration. In addition, Assembly Bill No. 1039 chaptered on May 19, 2006, and

Proposition 1B: The Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006, approved by voters on November 7, 2006, outlined provisions for Caltrans to be fully responsible and legally liable for the Federal National Environmental Policy Act environmental review process.

To finance the cost of these activities, Caltrans proposes to enter into Agreements with the Metropolitan Planning Organizations and the Regional Transportation Planning Agencies across the State providing for these agencies to assign Regional Surface Transportation Program funds totaling \$500,000 for Fiscal Year 2006-07 and \$1,000,000 per year for Fiscal Years 2007-08 and 2008-09 to Caltrans. Since the Regional Surface Transportation Program funds cannot readily be used for the Federal National Environmental Policy Act review work, Caltrans further proposes to exchange these Regional Surface Transportation Program funds with the County for Proposition 42 and/or gas tax funds.

The delegation of Federal National Environmental Policy Act authority to Caltrans will benefit the County by reducing the Federal level of review under Federal National Environmental Policy Act for Federal-aid transportation projects. This will result in streamlining of the environmental process and will enable the County to deliver its Federal-aid transportation projects in a shorter period of time, resulting in cost savings.

Implementation of Strategic Plan Goals

This action meets the County Strategic Plan Goal of Fiscal Responsibility. By streamlining the environmental process for Federal-aid transportation projects, the County will be able to deliver these projects at a lower cost.

FISCAL IMPACT/FINANCING

There is no impact to the County's General Fund by this action.

The \$500,000 necessary for the exchange of funds this fiscal year is available in the current Road Fund Budget. Funding of \$1,000,000 for the exchange will be included in each of the proposed Fiscal Year 2007-08 and Fiscal Year 2008-09 Road Fund Budgets.

The County can readily use the Regional Surface Transportation Program funds for scheduled road rehabilitation projects; therefore, this Agreement has no net effect on the transportation revenues available to the County.

The Honorable Board of Supervisors
December 5, 2006
Page 3

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under the terms of the Agreement, Caltrans will assign the Regional Surface Transportation Program funds to the County and in return the County is to pay Caltrans, within 30 days of receipt of each State invoice, an equivalent amount of County Proposition 42 and/or gas tax funds.

The enclosed Agreement has been reviewed and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

Since the enclosed Agreement does not constitute a project or the approval of a project, and does not commit funds to a specific project, pursuant to Sections 301 and 307 of the County's Environmental Document Reporting Procedures and Guidelines and Section 15378 of the California Environmental Quality Act, this action does not require an environmental finding.

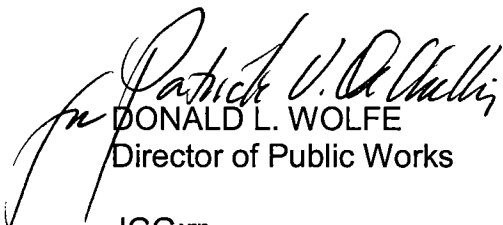
IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action will have no impact on current services or projects.

CONCLUSION

Upon approval by your Board, please return four copies of the Agreement marked ORIGINAL to us for processing together with one adopted copy of this letter. Once the Agreement has been executed by Caltrans, we will return a fully executed original Agreement to the Executive Office of the Board.

Respectfully submitted,



DONALD L. WOLFE
Director of Public Works

JGG:rr

C070369/P:\pdpub\Federal\BL-Caltrans Federal exchange.doc

Enc.

cc: Chief Administrative Office
County Counsel

EA 50-965158

District Agreement No. 50-0001

CONTRIBUTION AUTHORIZATION AGREEMENT

THIS AGREEMENT, ENTERED INTO EFFECTIVE ON _____, 2006, is between the STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred to herein as "STATE" and the

**COUNTY OF LOS ANGELES, a political
subdivision of the State of California,
referred to herein as "COUNTY".**

CONTRIBUTION AUTHORIZATION AGREEMENT

RECITALS

1. STATE and COUNTY desire to enter into a Cooperative Agreement to exchange funds to be used for eligible activities of the respective parties.
2. The parties hereto intend to define herein the terms and conditions under which this exchange of funds is to occur.
3. Under separate Letters of Agreement various Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Agencies (RTPAs) have agreed to contribute to STATE a combined share of their Regional Surface Transportation Program (RSTP) funds totaling \$500,000.00 for FY06/07, and \$1 million dollars per year for each of FY07/08 and FY08/09 to offset increased cost to the STATE for NEPA delegation work.
4. It is the STATE's desire to hereafter assign these RSTP funds of \$500,000.00 for FY06/07, and \$1 million dollars per year for FY07/08 and FY08/09 to COUNTY and in return COUNTY will exchange an equivalent amount of COUNTY's share of Transportation Congestion Relief Funds (Proposition 42) and/or State Highway User Tax funds (gas tax) for said RSTP funds.
5. Under a separate Letter of Agreement, the Los Angeles County Metropolitan Transportation Authority (Metro) has agreed to program these RSTP funds provided to COUNTY in the Federal Transportation Improvement Program for eligible projects of COUNTY's choice.

SECTION I

COUNTY AGREES:

1. COUNTY agrees to program these RSTP funds in its Federal Statewide Transportation Improvement Program (FSTIP) through Metro.
2. COUNTY agrees to spend these RSTP funds on projects in accordance with Federal regulations and local assistance funding commitments made with STATE.
3. Within thirty (30) days of receipt of each State invoice, COUNTY agrees to pay STATE for the amount invoiced with Proposition 42 and/or gas tax funds.

SECTION II

STATE AGREES:

1. STATE agrees to assign \$500,000.00 for FY06/07 and \$1 million dollars per each year for FY07/08 and FY08/09 of RSTP apportionments and equivalent Obligation Authority (OA) to COUNTY.
2. Within thirty (30) days after assigning RSTP and equivalent OA, STATE will invoice COUNTY for the same amount of Proposition 42 and/or gas tax funds.
3. STATE agrees to use the aforementioned Proposition 42 and/or gas tax funds for activities permitted under Article XIX of the California State Constitution, including NEPA Delegation work as an agent of FHWA.

SECTION III

IT IS MUTUALLY AGREED:

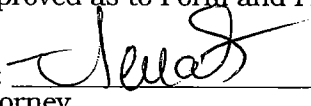
1. STATE's contractual obligations are subject to the annual State Budget Act authority, the appropriation of adequate resources by the Legislature, and the allocation of required funds by the California Transportation Commission.
2. All records and accounts relating to the exchange of these funds and activities undertaken shall be retained for audit by STATE or other government auditors for a period of three (3) years from date of final exchange.
3. Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties to this Agreement or affect the legal liability of either party to the Agreement by imposing an obligation beyond exchange of monies.
4. Neither STATE nor any officer thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by COUNTY under or in connection with any work, authority or jurisdiction delegated to COUNTY under this Agreement. It is understood and agreed that COUNTY shall fully defend, indemnify and save harmless STATE and its officers, agents, and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury occurring by reason of anything done or omitted to be done by COUNTY under or in connection with any work, authority or jurisdiction delegated to COUNTY under this Agreement.
5. Neither COUNTY nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority or jurisdiction delegated to STATE under this Agreement. It is understood and agreed that STATE shall fully defend, indemnify and save harmless COUNTY and its officers, agents, and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority or jurisdiction delegated to STATE under this Agreement.
6. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

7. This Agreement shall terminate on June 30, 2009.
8. This Agreement constitutes the entire understanding between the parties with respect to the subject matter herein.

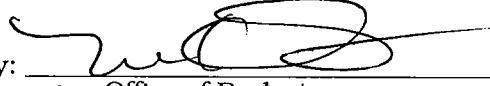
STATE OF CALIFORNIA
Department of Transportation
WILL KEMPTON
Director

By: _____
TERRY L. ABBOTT, Chief
Division of Local Assistance

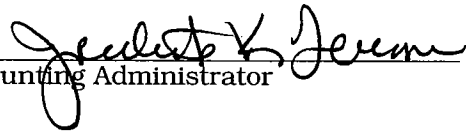
Approved as to Form and Procedure:

By:  _____
Attorney
Department of Transportation

Certified as to Funds:

By:  _____
Manager, ~~Office~~ of Budgets
Division

Certified as to Financial Terms and Conditions:

By:  _____
Accounting Administrator

COUNTY OF LOS ANGELES

By: _____
Mayor, Los Angeles County

Attest:
SACHI A. HAMAI
Executive Officer of
the Board of Supervisors of
the County of Los Angeles

By: _____

Approve as to Form:
RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Deputy